THE WASHINGTON TREATY.

Continuation of the Treaty Correspondence.

Whipping the Diplomatic Demon Round the Supplemental Stump.

America's Full Grounds for Pressing Indirect Claims to Judgment.

TEXT OF THE SENATE'S AMENDMENT.

Granville's Arrogant Dictature---Prefers His Own Draft.

Fish's Cutting Counter-Criticisms.

Uncertainties of Language When Agreement is Not Intended.

Is the Pursuit of the Cruisers an Indirect Claim?

England's Attempt to Limit the Proposed Rule in International Law.

The Secretary of State Angrily Telegraphs That He is Perfectly Composed.

A Makeshift Supplemental Proposed to the Supplemental.

How England Failed to Ratify the Article.

Spicy Details of Cabinet Backsliding and Friendly Relations (!)

WASHINGTON, June 23, 1872. The documents embracing the correspondence on the subject of the Treaty of Washington are very voluminous. The first communication is a telegram from General Schenck to Secretary Fish, dated February 2, 1872, in which he says:-

that the United States shall withdraw its claims for indirect damages, as not within the intention of the treaty. Am exerting myself with hopes to prevent anything rash or offensive being done or said by this government. Evarts is here co-operat-

Secretary Fish on the same day telegraphed to

"THERE MUST BE NO WITHDRAWAL "THERE MUST BE NO WITHDRAWAL
of any part of the ciaim presented. Counsel will
argue the case as prepared unless they show to this
government reasons for a change. The alarm you
speak of does not reach us. We are perfectly calm
and content to await the award and do not anticipate repudiation on the other side." Next in order follows

THE "FRIENDLY NOTE" of Earl Granville, in which it is stated-

"Her Majesty's government holds that it is not within the province of the tribunal of arbitration at Geneva to decide upon the claims for indirect losses," Ac.

up to the 10th of May has been unblished, with the exception of what is hereinafter noted, namely:-Despatches from General Schenck to Secretary Fish, dated respectively the 19th and 27th of Feb. ruary. In the latter of which General Schenck

"Granville informed me confidentially, last night, that Thornton has telegraphed him that the Washington Cabinet has rejected your draft of a reply to his note and taken further time to consider, but that you have suggested he should make some proposal. He then said to me that in his note of the ad he had stated the views of Her Majesty's government as to the indirect claims; that there were other portions of the American case they regret, and some of which appear to introduce matters not germain to the reference; that he has not been able to consult the Cabinet here, but is individually prepared to recommend to them and thinks with reasonable expectation of success) that they should not press for the withdrawal of the American case if the government of the United States will undertake that their agent shall inform the arbitrators at or before the meeting in June that the United States "Granville informed me confidentially, last night,

Brates

DO NOT ASK AN AWARD

on the indirect claims, nor that such claims should
be taken as an element of coosideration in the gross
award, nor brought forward in case of reference to
assessors. I make no comment except to say that
this was only equivalent to asking us to withdraw
our case, and I gave no intimation of belief that it
would be accepted."

Secretary Fish telegraphed to Minister Schenck

in reply that the reported rejection was untrue; that entire unanimity prevailed; that the answer was then being copied, and that RARL GRANVILLE'S SUGGESTION WAS INADMISSIBLE.

The next telegram is from Minister Schenck to Secretary Fish, giving the change of language that Earl Granville desired in an agreement between the two countries as to indirect damages. To which Mr. Fish replied by telegram on February 29:-

Mr. Fish replied by telegram on February 29:—

I cannot agree to Granville's proposal as made. I desire to meet the British government in any bonorable adjustment of the incidental question which has arise. Our answer is very friendly, and will, we nope open the way for a settlement. Whatever the British Commissioners may have intended or thought among the mercelyes, they did not climinate the claims for indirect losses. They never asked us to withdraw them, nor did they allude to them directly or in plain terms, and after the delibarations of the joint commission were closed Lord Tenterden and the British commissioners allowed them to be formally enumerated in the statement of the 4th of May without a word of dissent. General Schenk to Mr. Fish, April is, relates a conversation which he (General Schenek) had with Earl Granville, who assured aim that what was the most especially desired was that.

A DECISION OF THE WHOLE CRESTION and extent of the Habbility of a neutral should be arrived at, so that the rule and the law for all might be known in the future. Indeed, among other things! told Lord Granville frankly that I regretted to inform him there were not a few of our best people who were growing so dissatisfied with the position which Here Ware not a few of our best people who were growing so dissatisfied with the Critical States could susmise such an unhappy end to our labors and hones as well as this government. All I said—and there was a great deal of it—was expressed and believed in the most friendly manner, and hopes as well as this government. All I said—and there was a great deal of it—was expressed and believed in the most friendly manner, and helped to give us, I hope, a better mutual understanding, whether it may lave or not any other refect or result. His lordarip, I am more than ever satisfied, is sincerely and hone was the conduct that this is equally true of other Ministers.

Mr. Fish to General Scheneck, April 23, writes a long letter, in the concincion of which he says:—

Mr. Fish to General Schence, April 23, writes a long letter, in the conclusion of which he says:iong letter, in the concincion of which he says:—
In the correspondence I have gone as far as prudence will adlow in intimating that we neither desired nor expected any pecuniary award, and that we should be content withen a ward that a State is not liable in pecuniary damages for the indirect results of a failure to observe its neutral obligations. It is not the interest of a country situate as are the United States, with their large extent of sea coast and small may and smaller internal police, to have it established that a nation is diable in damages for the indirect, remote or consequential results of a failure to observe the neutral duties. This government expects to be in the judge, as it has been in the past, a neutral much more of the time inon a belilgerent. It is strange that the British govern-

ment does not see that the interests of this government do not lead them to expect or TO DESIRE A JUBGMENT On the "indirect claims," and that they fail to do justice to the sincerity of purpose in the interests of the future harmony of the two nations which has led the United States to lay these claims before the tribunal at Geneva. I need not repeat to you the earnestness of the President's desire to prevent a failure of the arbitration or any repudiation of a treaty which is so hopeful of beneficent results. Nor need I arge you to continued efforts by all that is in your power, consistently with the honer and dignity of this nation, to bring about an honorable understanding between the two governments on this question, which has been, as it appears to us, so unnecessarily and unwisely raised, to the imminent peril of an important treaty.

This correspondence continued until the 10th of

This correspondence continued until the 16th of May, when Lord Granville brought to Mr. Schenck in person the draft of an additional article to the treaty, which has already been published and acted on by the Senate. On the 14th of May General Schenck wrote to Secretary Fish, the letter having been received on the 27th of May, a connected history of what had transpired between that time and the 2d inst;, and gives a summary of an interview with Lord Granville as to the position of the ques tion. Lord Granville, on the 20th of May, said it would save time in case of the treaty being adopted if he were to prepare a form of notes from Her Majesty's government and the government of the United States, communicating the treaty to the Tribunal of Arbitration at Geneva, which he accordingly prepared. General Schenck submitted this form to Mr. Fish by telegraph; so that if the occasion should come no time might be lost in having it ready, as agreed on. Mr. Fish on the 28th of May informed General Schenck that the object of the United States in retaining the indirect claims before the Tribunal was,

THE RIGHT UNDER THE TERATY to present them.

Second-To have them disposed of and removed

from further controversy.

Third—To obtain a decision either for or against the nability of a neutral for claims of that descrip-

Fourth-If the hability of a neutral for such claims is admitted in the future, then to insist on payment by Great Britain for those of the past.

Fifth-Having a case against Great Britain, to have the same principle apply to it that may in the future be invoked against the United States.
Secretary Fish telegraphed to General Schenck

May 26 as follows :-

May 20 as follows:—

The President having requested an expression by the Senate of their disposition in regard to advising and consenting to the formal adoption of the article proposed by the British government, as communicated in your telegram of May 10, that body has amended the proposed article, and agrees to advise and consent to its adoption in the following terms, down to and including the words "Great Britain," the same as in the article proposed, and then the following:—"And wherea, the government of the United States has contended that the said claims were included in the treaty; and whereas

BOTH GOVERNMENTS ADOTT

sorn Governments about for the future the principle that claims for remote or indirect losses should not be admitted as the result of failure to observe neutral obligations so far as to declare that it will hereafter guide the conduct of both governments in their relations with as to declare that it will hereafter guide the conduct of both governments in their relations with each other, now, therefore, in consideration thereof, the President of the United States, by and with the advice and consent of the Senate thereof, consents that he will make no claim on the part of the United States in respect of indirect losses, as aforesaid, before the Tribunal of Arbitration at Geneva. You will, without delay, inform Lord Granville that, in pursuance of this action of the Senate, the President will negotiate a new article in the terms and to the effect of the foregoing. You will also say to him that the two Houses of Congress have passed a concurrent resolution to adjourn size die on the 2nth inst., and that a treaty embodying the attele must be presented to the Senate and receive its approval. It is important, therefore, that authority be speedily given to Hey Majesty's Minister to sign the convention if the British government conclude to enter into the agreement. A copy of the article has been furnished Sir Edward Thornton.

In a telegram dated London, May 28, General Schenck communicates to Mr. Fish the following: --I communicated your telegram of yesterday to Lord Granville. He submitted it to the Cabinet, who took it under long consideration. He has just given me their answer. It is as follows:—'Her Majesty's government are of the opinion that the definition by the Senate of the principle which both the governments are prepared to adopt for the inture is

ture is

SO VAGUE

that it is impossible to state to what it is or
is not applicable, and they believe that it would
only lead to inture misuaderstandings. They prefer the article as they had drafted it, but have no
objection to accept the article in the form proposed
by the Senate, with the substitution of the words
"of like nature" for the words "for remote or indirect losses," and the substitution of the words
"such want of due diligence on the part of a neutrai" for the words "the failure to observe neutral
obligations."

bligations,"
In reply to my inquiry of Loyd Granville whether
my possible interpretation of the forms proposed
y the Senate would be held by them to prevent
aking before the arbitrators to be considered by
hein in making their award that part of the can be described and the considered by the min making their award that part of the times which related to the cost of pursuit and capter of cruisers, he states that he must, on half of Her Majesty's government, decline to swer any questions as to the effect of earliele as altered by the Senate, to state what possible construction may bear. Lord Granville says he has informed redward Thornton that he reaveted you Her ejesty's government will not insist on the words underlie to emit from the preamble if you will ve assurance in writing that the United States if agree to the form of note as proposed, communications.

give assurance in writing that the United States will agree to the form of note as proposed, communicating the convention on the part of the United States to the Tribunal of Arbitration.

Lord Granville Tells ME CONFIDENTIALLY that Thornton informed him you had stated that the Committee on Foreign Affairs was really to recommend the following:—"And whereas the government of the United States contend that the said laims were included in the treaty, now the two governments agree that the principle involved in the second of the conventions herelabelore set for the by Her Majesty's government will guide their conduct in the inture in their relations with each other," which proposal, he says, they were prepared to adopt.

May 28 Mr. Fish telegraphed General Schenck as

this government declines to agree to the proposed altering of the supplemental article. The establishment of the principle embodied therein has been its object in adhering to the presentation of the indirect claims, and its recognition is the inducement for not pressing them before the trabunal

General Schenck telegraphed Secretary Fish,

General Schenck telegraphed Secretary Fish, May 88:—

Lord Granville has to night, after another Cabinet meeting, sent me the following further communication:—'I think it desirable at once to address you the following observations, in addition to wrise is stated in my letter of yesterday:—Her Majesty's government proposed an article on the suggestion of the American government. That article has been amended by the Senate. Her Majesty's government are not able to find for it, as amended, any means or standard of interpretation. The words appear to include

THE WILVIL MISCONDECT OF A NEUTRAL, as well as a failure from want of duching the meaning of the American government. Her Majesty's government hold all the claims made by the United States for losses which were the direct results of the acts of the vessels mentioned in the treaty to be claims for indirect losses as the result of the failure to observe neutral obligations. Her Majesty's government hold many of the claims for the losses above fichtoned to be claims for losses which are remote as well as indirect, while resulting from a failure to observe neutral obligations. Her Majesty's government are unable to signify an assent to a form of article of which they cannot, for themselves, discover the scope, and with the action of the meaning which the American government attended to the signify an assent to a form of article of which they cannot, for themselves, discover the scope, and with the apprised of the meaning which the American government attendes to it, or of the reasons which have led to its being proposed. If the government with the first and also think that for that papers on these points, and also think that for that papers on these points, and also think that for that papers of the meaning when the American government with the failed of the meaning of the meaning of the meaning that the former of the United Scates thinks it desirable to give the information which ther Majesty's government with the papers of the meaning the meaning the meaning the

to receive on these points, and anothink that for that purpose some ADJOURNMENT OF THE TIME OF MEETING of the arbitrators at Geneva should take place. Her Majesty's government would be ready to agree to any suitable proposal for that purpose, which they presumed could be done by a short treaty between the two governments.

Secretary Fish to General Schenck, May 28,

Late last evening Sir Edward Thornton called at Late inst evening Sir Edward Thornton called at my house, having, as he stated, a telegram from Lord Granville, the general purport of which he mentioned was to the effect that the British government, having received the amendment proposed by this government to their proposed supplemental article, would PREFER THEIR OWN DRAFT, but that they would accept the proposed alteration.

PREFER THEIR OWN DRAFT, but that they would accept the proposed alteration, substituting, however, for the words "for remote or indirect losses" the words "of a like nature." and for the words "failure to observe neutral obligations" the words "such want of due diligence on the part of a neutral." I told him trankly and earnestly that no change or alteration of any kind is advisable or can be entertained. I added that the United States now have a case against Great Britain. He interrupted me by saying the United States

States

THINE THEY NOW HAVE A CASE.

I proceeded, saying that it made not difference; that having now a case they desire to press it for a decision or to have the principle of exemption of

national liability for indirect losses established for the future; that that principle is the equivalent or consideration of bastaining from a demand before the tribunal for damages on account of indirect losses; that, as now altered, the article prevents the pre-entation of indirect claims against the United States on account of Fenian raids, while the British drait would exclude only claims arising from the acts of vessels, &c., and under circumstances which may possibly never again occur. He then asked me about the preamble and the proposed note to the arbitrators. In reply I told him that it was useless to discuss either while his government is contemplating any change in the article. He said it might be well to have an understanding in order to save time, in case his government accept the alterations made to the article. At this view I showed him a draft of a preamble which had been prepared in the department, reciting simply that the two governments, deeming it advisable that there should be an additional article to the treaty signed at Washington on the 8th of May, 1871, have for that purpose named as their plenipotentiaries, &c., and saying that I see no occasion for any other recital, and that as to the proposed note, we will not sign it. He asked if there was any objection to their signing such note. To which I replied than we could not control them in that respect; they had the power to make such representations to the tribunal as they thought proper; that there might be no objection on our part to the former part of the proposed note, but that the latter clause was not necessary, as the effect of the article accomplished what was then stated as a request; that we would lay the treaty, if agreed to, before the tribunal, and our counsel would be guided by it and would.

Abstain veron Maring any Claim

complished what was then stated as a request; that we would lay the treaty, if agreed to before the tribunal, and our counsel would be guided by it and would

ABSTAIN FROM MAKING ANY CLAIM
on account of the indirect losses; but I desired not to be committed in advance of the agreement to the article. I then referred to the question raised by your telegram received yesterday as to the effect of the article upon the claim for the expense of the pursuit of the cruisers, and added that I did not think there could be any doubt, as both governments had through the whole correspondence treated this as a direct claim. With some reserve and caution, and disclaiming any authority to speak, he remarked that he believed that claim had been created as a direct claim—one on which the tribunal was to pass and decide whether or not it be one for which compensation is to be made. I am this morning in receipt of your telegram communicating the proposed changes to the article which sir Edward Thornton had communicated to me, as above mentioned. Lord

GRANVILLE'S EVASION OF A REPLY to your question respecting the claim for the pursuit, &c., of the cruisers is significant and suggestive of caution. It is very possible that the whole thing will fall. It so this country will stand before the world as having done all that it could do to maintain the t.eaty and the civilizing principle which it established. The responsibility of failure must rest with Great Britain, who evidently will have shown a reserved interest and an object of faiture advantage not avoved. Much as this government will regret the failure it

CAN STAND IT AS WELL AS GREAT BRITAIN.

There are some things in the telegram received this morning which may require comment, but I incline to the hope that what may seem arrogant in Lord Granville's remark. "that he will not insist on certain language in the proposed preamble," arises from the constraint of the telegraphic form of communication; and so, too, the suggestion of a condition that assurance be given in writing of Senate from what was at one time expected, al-though what was expected is different from what Lord Granville has understood to have been ex-

Your telegram of last night received this morning. We cannot understand the objections which Lord Granville raises. He raises new issues, but suggests nothing in the direction of an agreement. Lord Granville raises. He raises new issues, but suggests mothing in the direction of an agreement. CRITICISM AND OBJECTION WITHOUT SUGGESTIONS lead to no results and do not give assurance of a desire to harmonize differing views. You have informally suggested various modes of agreement, but Great Britain has met all with the demand to withdraw claims which we feel were justified under the treaty in presenting. While the obligations which Great Britain has in various forms profered on her part have all been substantially the same, and have been vague, uncertain, ideal, and not likely ever to become available, the article proposed by the Senate is fair, candid and reciprocal. This government has endeavored to express its views, objects and meaning with respect to the principle embodied therein in the correspondence which has taken piace and in the communications which you have had with Her Majesty's Minister of Foreign Affairs. As to the proposed article, if it is to become a treaty, must be signed and be submitted to the Senate for approval.

BUT TWO DAYS REMAIN

within which that approval can be had, and the treaty forwarded to London to enable the ratification to be exchanged in time to be presented to the arbitrators at their meeting in June. Further explanations of the views of the government seem, therefore, impossible to be interchanged between here and London. But you may be able to explain these views as they have been communicated to you from this Department. The President is extremely anxious to preserve a treaty embodying and giving practical application to the dectrine of arbitration as a mode of settling international differences, and for that end has been willing to make large conces-

Department. The President is extremely anxious to preserve a treaty embodying and giving practical application to the doctrine of arbitration as a mode of settling international differences, and for that end has been willing to make large concessions. You will call the attention of Her Majesty's Minister to the fact that unless the treaty be signed and approved by the Senate, so that the President's ratification can leave here the day after to-morrow and go by Saturday's steamer, it cannot reach London in time to be there exchanged and be presented to the arbitrators at their meeting on the 16th of June. The suggestion of another treaty to adjourn the meeting at Geneva seems impracticable. The Senate is in the last days of the session, and its time is preoccupied. In the absence of any indication of a disposition on the part of the British government to suggest anything to which this government could assent it would be impossible to secure enough of the time of the Senate to agree to a treaty which promises only further delay and procrastination. I regret not to see an indication of a desire on the part of the British government to come to an agreement which will be honorable to this government. If the British government thas any proposals to make they will be fairly considered, with the most sincere desire of a frank, friendly and honorable agreement. We neither ask nor will we consecut to anything else. The tone of Lord Granvilliers notes seems to assume that the Senate and this government are to expect what Great Britain may have suggested. Our view is very different."

very different."

General Schenck to Mr. Fish, May 30:—

Your telegram of yesterday received, and communicated with Lord Granville. He said he would confine himself to one remark, namely, that your statement at the beginning, from the words, "He raises" down to the word "views," was inexplicable to him. What had been the course they had pursued? They had, at the request of the government of the United Scates, drafted an article, founded on an idea of that government. The government of the United States had amended that article, and in answer they had not merela stated an objection to the amendment, but had drafted a recommended a thele to; their consideration, he said he would not make an; further argument until he had submitted to his colleagues the communication which had just been made to him. I stated that I did not wish to go into any argument, but would just state again what were my views of the present situation and difference between us, though it was but repeating former statements. I said to him, "I assume that your object, like ours, is to affirm the principle that NSURALS ARE NOT TO BE BELD LLABLE for indirect and remote damages which may be the result of a falture to observe mentral obligations, and to establish as a rule to be observed between our two nations. Your proposed form of article as it was amended by the Senaie we think does that; you think it is too vague. We think your proposal, either as originally made of as modified by your proposed amendment of the language of the Senaie, would be altogether uncertain as a rule in practice, as it confines itself to hypothetical cases, which may never occur, and instead of recognizing and applying the general principle, limits the rule to some three classes of indirect claims, being those which are put forward by the United States in their case at Geneva. The Cabinet is now in session.

General Schenck to Secretary Fish, on May 30, General Schenck to Mr. Fish, May 30:-

General Schenck to Secretary Fish, on May 30, informs the latter:—
Your telegram of the 2sth, declining, on the part of the United States, to agree to the proposed altering of the Supplemental Treaty, was received in the night and communicated to Lord Granville yester-

Earl Granville to General Schenck, May 27, wrote

I instructed Mr. Thornton to communicate to Mr. Fish the accompanying form of preamble, to which ther Majesty's government were prepared to agree in case a convention should be concluded, embodying the draft article. I have learned from Sir E. Thornton that Mr. Fish would prefer the omission of the words "in order that the same may be communicated to the Tribunai of Arbitration for the guidance of the proceedings of that tribunal," and I have this day informed Sir E. Thornton that he may tell Mr. Fish that Her Majesty's government will not insist on the words which he desires to omit in the preamble, if he will give Sir E. Thornton assurance in writing that the government of the United States will agree to the form of note which I proposed, and of which I sent you a copy on the 20th linst., communicating the convention on the part of the two governments to the Tribunal of Arbitration at Geneva. I have to add that Sir E. Thornton has a general full power, enabling him to sign a convention, and instructions to do so if the proposals contained in this and other letters of this day's date are agreed to.

FROPOSED FREAMBLE TO THE SUPPLEMENTAL TREATY, "Her Majesty the Queen of the United States of Great Britain and Ireland, and the United States of Linstructed Mr. Thornton to communicate to Mr.

Earl Granville wrote to General Schenek May

I have lost no time in laying before the Cabinet the telegraphic despatch from Mr. Fish which you communicated to me this afternoon, informing me of the result of the deliberations of the Senate on the draft article submitted for their advice by the President of the United States. It appeared from this despatch that the Senate had agreed to advise and consent to the adoption of the proposed article, with a substitution for the third and fourth paragraphs of two paragraphs, as follows:—

"And whereas the government of the United States has contended that the said claims were included in the treaty; and whereas both governments adopt for the future the principle that claims for remote or indirect losses should not be admitted as the result of the failure to observe neutral obligations so far as to declare that it will hereafter guide the conduct of both governments in their relations with each other, now, therefore," &c.

In communicating this despatch to me you inquired whether any possible interpretation could be given to the proposed article in the form in which the Senate have monified it, taking all its parts together, which would prevent taking before the arbitrators to be considered by them in making their award that part of the claim called "direct claims" in the case which relates to the cost of pursuit and capture of cruisers. I have now the honor to state that I must, on behalf of Her Majesty's government,

suit and capture of cruisers. I have now the honor to state that I must, on behalf of Her Majesty's government,

DECLINE TO ANSWER THE QUESTION,

which you have put to me as to the effect of the article as aftered by the Senate, or to state what possible construction it may bear. Her Majesty's government are of the opinion that the definition as therein expressed of the principle which both government are prepared to adopt for the future is so vague that it is impossible to state to what it is or is not applicable, and they believe that it would only lead to future his understandings. That Her Majesty's government prefer the article as they have drafted it, but have no objection to accept the article in the form proposed by the Senate, with the substitution of the words "of a like nature" for the words, "for remote or indirect losses," and the substitution of the words, "such want of due diligence on the part of a neutral," the words, "the failure to observe neutral obligations." The article would then read:—

"And whereas both governments adopt for the

then read:—

AS ENGLAND WANTED IT.

"And whereas, both governments adopt for the future the principle that claims of a like nature should not be admitted as the result of such a want of due diligence on the part of a neutral so far as to declare that it will hereafter guide the conduct of both governments in their relations with each other."

General Schenck acknowledges receipt of Earl Granville's note, and concludes as follows:-

But I remark now that instructions to Her Majesty's Minister at Washington appear by your note to have been given to be exercised on a condition. I beg to know from Your Lordship if I am to understand that Sir Edward Thornton's authority is limited by his instructions and only to be used in the case that the proposals contained in your note addressed to me yesterday are agreed to by the United States.

General Schenek to Earl Granville, May 28, in replying to the latter's note, says:-

replying to the latter's note, says:—

I am now instructed to say that the article, in whatever form adopted, as to the proceedings before the arbitrators at Geneva, must be understood to prevent only the presentation of the claims enumerated in the second contention of the claims enumerated in the second contention of the replaced in the second contention of the district second contention of the majesty's government. Your Lordship in this noie proceeds to inform me that Her Majesty's government are of opinion that the definition, as expressed in the Senate amendment, of the principle which both governments are prepared to adopt for the future Is so vague that it is impossible to say to what it is or is not applicable, and they believe that it would only lead to future misunderstandings; that Her Majesty's government prefers the article as they had drafted it, but have no objection to accept the article in the form proposed by the Senate, with the substitution of the words "of a like nature" for the words "for remote or indirect losses," and the substitution of the words "such want of due diligence on the part of a neutral" for the words "the failure to observe neutral relations." I hastened to telegraph the full substance of all this communication to Mr. Fish. I am as yet without any answer to that telegram, but I am not prepared to be lieve that the modification can be assented to by the President. Such change of language would alter the whole character of the agreement.

This rule should be the expression of a principle to be applied to cases as they may arise, and ought not to consist in a reference to cases or circumstances which may or may not ever occur, and be limited to those instances without application to other cases in which the damage done or alleged may be equally or further removed from the act of which it is assumed to be the result.

in such a rule or difficulty in its application to facts beyond what may be said of any other principle embodled in statute or treaty law. General Schenck concludes as follows:—"Will you then unite with us, as the government of the United States in an arrangement tounded upon that States, in an agreement founded upon tha principle for which you contend, and as broad as the principle itself, that claims for re as froad as the principle itself, that claims for re-mote or indirect losses should not be admitted as the result of failure to observe neutral obligations, and will you unite with us in a declaration that this principle will hereafter guide the conduct of both governments in their resuch a rule consistent with the position she has taken against the whole class of remote or indirect claims against a neutral, she must persist in con-

of that class of in-direct claims as

HAPPEN NOW TO BE THE SUBJECT
of contention between her and the United States,
and which particular kind of claims may never
have existence again. Will it not seem, if this be
the limit of the agreement, that the object is not to affirm and vindicate an important principle, but only to find an expedient for excluding from con-sideration, or extinguishing altogether, certain matters which are unfortunately now a present cause of contention?

Earl Granville to General Schenck, May 28, informs him that, while Her Majesty's government are far from asserting that the form of the article proposed by them is not capable of further improvement upon sufficient causes being shown, Sir Edward Thornton nas no instructions to use his full powers, except in accordance with

the arrangement we have proposed. Earl Granville to General Schenck, May 28, says:— Earl Granville to General Schenck, May 28, says:—
I think it desirable at once to address to you the following observations:—Her Majesty's government proposed an article on the suggestion of the American government. That article had been amended by the Senate. Her Majesty's government are not able to find for it, as amended, any means or standard of interpretation. The words appear to include the wilful misconduct of a neutral, as well as a failure from want of due diligence. They cannot suppose this to be the meaning of the American government. Her Majesty's government hold all the claims made by the United States for losses which were the direct results of the acts of vessels mentioned in the treaty to be claims for "indirect losses as the result of the failure to observe neutral relations." Her Majesty's government hold many of the claims for the losses above mentioned to be claims for losses which are

"REMOTE" AS WELL AS "INDIRECT."

While resulting from a failure to observe neutral obligations, Her Majesty's government are unable to signify an assent to a form of article of which they cannot for themselves disdiscover the scope, and with respect to which, owing probably to the difficulty of telegraphic conjunctation, they have not been appraised of the meaning which the American government attaches to it, or of the resops which have led to its being proposed. If the government wish to receive on these points, and also

o give the information which Her Majesty's gov-rument wish to receive on these points, and also hink for that purpose some adjoinment of the necting of the arbitrators at Geneva should take meeting of the arbitrators at Geneva should take place. Her Majesty's government would be ready to agree to any suitable proposal for that purpose, which they presume could only be done by a short treaty between the two governments.

General Schenck briefly replies to Earl Granville,

I shall hasten to-night to communicate the whole of this note by telegraph to my government.

General Schenck to Mr. Fish, May 31:—

General Schenck to Mr. Fish, May 31:—
At forty-five minutes past two this morning Lord Granville sends me the following, dated 30th:—
SIE—I am unable to admit the accuracy of the description which Mr. Fish has given in the telegraphe message which you have communicated to me to-day of the course which Her Majesty's government has pursued or the objects which they have had in view. I can only attribute such a misunderstanding to the imperfection unavoidably attendant on negotiations by telegraph, which makes it difficult for either party clearly to understand the views and arguments of the other. This chromatone seems to strengthen the reason for the suggestion which I made in favor of an adjournment of a meeting of the Tribunal of Arbitration at Geneva. Her Majesty's government have stated their objections to the words proposed by the Senate. I have already informed you that they did not pretend that the words suggested by themselves were incapable of improvement, and they have resolved to make a suggestion which they trust will meet the views of both governments. I proceed, therefore, to put you in possession of a draft article, of which I enclose a copy, and which, if adopted by the government would be prepared to accept.

THE SUPPLEMENTAL'S SUPPLEMENTAL.

prepared to accept.
THE SUPPLEMENTAL'S SUPPLEMENTAL.
"Whereas the government of Her Britannic Majesty has contended in the recent correspondence with the government of the United States as follows, namely:-That such indirect claims as those for the national losses stated in the case presented on the part of the government of the United States

to the Tribunal of Arbitration at Geneva to have been subtained by the loss in the transfer of the American commercial marine to the British fiag, the enhanced payment of insurance, the prolongation of the war and the addition of a large sum to the cost of the war and the suppression of the rebellion—firstly, were not included, in fact, in the Treaty of Washington; and further and secondly, should not be admitted in principle as growing out of the acts committed by particular vessels alleged to have been enabled to commit depredations upon the shipping of a belligerent by reason of such a want of due diligence in the performance of neutral obligations as that which is imputted by the United States to Great Britain; and whereas the government of the United States has contended that the said claims were included in the treaty; and whereas both governments adopt for the future the principle that claims against neutrals for remote and indirect iosses should not be admitted as resulting from the acts of belligerents, which such belligerents may have been chabled to commit by reason of a want of due diligence on the part of a neutral in the performance of neutral obligations, so far as to declare that this principle will hereafter guide the conduct of both governments in their relations with each other.

Now, therefore, in consideration thereof the President of the United States, by and with the advice and consent of the Senate thereof, consents that he will make no claim on the part of the United States before the Tribunal of Arbitration at Geneva in respect of the several classes of indirect losses hereinbefore enumerated.

Mr. Fish to General Schenck, May 31:—

Mr. Fish to General Schenck, May 31:-

Mr. Fish to General Schenck, May 31:—
As stated in a previous despatch which you communicated to Her Majesty's government, unless a treaty be signed and ratified by this government this day, so as to be transmitted to London by tomorrow's steamship for ratification by Her Majesty, it will not be possible that it become operative in time to be laid before the arbitrators at Geneva on the 15th of June, on which day the existing treaty requires that the arguments be presented. Your telegram reached me this morning.

of the departure of the last conveyance by which a copy of a treaty can leave here to take the steamer to-morrow. It would be impossible for the Senate within that time to consider the important changes proposed to the form of the terms on which, after long deliberations, they have agreed to advise the President to negotiate the proposed article. Her Majesty's Ministry has already been apprized of this. To propose a

CHANGE OF LANGUAGE INVOLVING A CHANGE OF CHANGE OF LANGUAGE INVOLVING A CHANGE OF CHANGE OF CHANGE OF LANGUAGE INVOLVING A CHANGE OF CHA

Secretary Fish, June 1, telegraphed to General

The fifth article of the treaty requires the written The fifth article of the treaty requires the written arguments to be presented by the 15th of June. The adjournment of the tribunal without amending that article would as we are advised practically, amount to a discontinuance, and that article can be amended only by a new treaty. The opinion attributed to me regarding said senate article is very incorrectly represented.

General Schenck telegraphed to Secretary Fish,

"Your telegram of vesterday was received at midnight and immediately communicated to Lord Granville, who has just sent me an answer, as fol-

ows:—
"Sur,—In reply to the communication which I received from you this morning, I beg to inform you that Her Majesty's Government hold that, by the article adopted by the Senate, cases of bad faith and wifind misconduct are brought within the scope of the proposed agreement, which deals with pecuniary compensation. It appears to be the view of the government of the United States that such cases are not a fit subject of pecuniary compensation, and I am informed by Sir Edward Thornton that Mr. Fish's opinion that the article adopted by the Senate is CAPABLE OF IMPROVEMENT.

formed by Sir Edward Thornton that Mr. Fish's opinion that the article adopted by the Senate is CAPABLE OF IMPROVEMENT.

The President thinks that the article last proposed by Her Melesty's government is also capable of improvement. The American government state that it is not believed that there is any such difference of object between the two governments in the definition and limitation which each desires to place upon the liability of a neutral as to prevent an agreement or the language in which to express it, if time be allowed for the exchange of views by some other means than the telegraph. The British government must

DECLINE TO SIGN A TREATY

which is not in conformity with their views, and which does not express the principles which the American government believes to be entertained by both parties to the negotiation, and which, immediately after being signed, would become the subject of negotiations with a view to its atteration. In this position they repeat their readiness to extent the time allowed for the arbitrators to meet at Geneva, and they have, as you are aware, provided Sir Edward Thornton with full nowers to

have, as you are aware, provided Sir Edward Thornton with full powers to sign a treaty for this purpose, or they are wiling to concur in a joint application to the Tribunal of Arbitration at once to adjourn the pro-ceedings of the arbitration, which they are advised it is within the competence of the arbitrators to do upon such an application, without a fresh treaty." Secretary Fish telegraphs to General Schenck

Although by a literal construction of the Senate article cases of bad faith or wilful misconduct may be held to be within its scope, it is inconceivable that such cases can ever be the subject of diplomatic correspondence with a view to pecuniary compensation between two Powers, such as those now concerned.

[General School.]

General Schenck to Secretary Fish, June 2, acacknowledges the receipt of the telegram, "and I heard from Davis last week that our argument would be ready on the 15th, and Lord Granville told me theirs would be."

Secretary Fish to General Schenck, June 2, (con-

fidential) says :--We concur in the opinion that THE ABSTRATORS HAVE THE POWER TO ADJOURN either on their own motion or on the motion of either party. If the arguments be put in on both sides on the 15th, and Great Britain moves for an adjournment, this government will concede.

General Schenck telegraphed Secretary Fish,

June 8, the text of a communication from Earl Granville, in which the last named says:— Granvine, in which the last hamed says;—
If both parties agree not to present any argument till a later day than the 15th of June requesting the arbitrators to adjourn, and if the arbitrators should on any day to which they may have adjourned accept the arguments Which both parties may then wish to render to them, this will be quite within their power.

Secretary Fish to General Schenck, telegraphed

"The government of the United States differs entirely from the opinion expressed in Lord Granville's note to you, that it is not necessary for the agents to present the arguments of the respective governments on the 15th. The fifth article of the treaty feon the 15th. The fifth article of the treaty fequires that the arrequents be presented within a specified lime, which time will expire on the 15th. Ideling a treaty requirement, the executive department of the government cannot depart from its obligations, and has not the power to consent to a change of its terms. If an adjournment is contemplated by Great Britain, with the idea of future negotiation, it is right that, with reference to the Senate article, it should be understood that the government cannot negotiate on a proposition which involves the idea that it MAY BE GULLY OF INTERNATIONAL ILL-FAITH or of wilful violation of its international duties, or that it regards such acts on the part of another power the subject of compensation by the payment of damages in money.

CONTINUED ON TENTH PAGE. BRUTAL ASSAULT BY A SAILOR.

Thomas Billard, a passenger on board the steam-ship Equator, lying at Pierrepont's stores, Brook-lyn, was passing through an alleyway leading from Furman street to the wharf, at a late hour on Furman street to the wharf, at a late hour on Saturday night, when he was assaulted from behind. He was knocked down and kleked about the head and face in a most inhuman manner. The cries of Mr. Billard for assistance were heard by Patrolman Keihan, who, coming to the resene, managed to arrest the assellant, william Mathews. The latter is employed as a sallor on board the Equator. The accused was yesterday arraigned before Justice Waish and committed to fail to await the result of the injuries inflicted by him. The injured gentleman is now lying in a very critical condition at the Long island college Hospital.

Thomas alias "Pop" Kennedy, aged thirteen years, of 221 East Twenty-fifth street, while careyears, of 221 East Twenty-fifth street, while care-lessly handling a pistol at the foot of East Twenty-first street last night, accidentally shot Thomas Dunlay, alias "Navy," also aged thirteen years, of 313 East Twenty-sixth street, in the neek, inflicting a severe and probably fatal wound. Dunlay was removed to Bellevue Hospital in an ambulance and Kennedy arrested by an officer of the Eighteenth precinct. He will be arrighted in the Essex Mar-ket Police Court this morning and beid to await the result of the injuries.

DR. LIVINGSTONE.

Reports of the Royal Geographical Society Regarding Dr. Livingstone and Mr. Stanley.

The News from Zanzibar-Livingstone Safe-The Herald Correspondent Meets Him at Ujiji-The Underground Village-The Nile Onestion Setiled-Letters from the Sultan of Zanzibar and Dr. Kirk.

LONDON, June 11, 1872.

I forward you by this mail the report of the Royal Geographical Society, which was published in the morning papers to-day. The society held a meeting last night, Sir Henry Rawlinson, K. C. B., in the chair. The President said that before the regular papers of the evening were read he would refer to subject not in the programme, but which was, nevertheless, of so much public interest that he would make no apology for introducing it at once. He referred to the subject of Dr. Livingstone, one which he had on several recent occasions had reason to mention, and had done so with fear and trembling, not without some sort of misgiving that he might have been, as he had been thought by some, over sanguine. Now he was happy to be able to state that all doubt as to Dr. Livingstone's safety was removed. (Cheers.) According to his view, which he would shortly put before the meet. ing, they had now really authentic intelligence. At the anniversary meeting he had informed them that the council had not then received any report of the arrival of Lieutenant Dawson at Zanzibar. Despatches had now arrived containing the results gathered from letters which had been seen by Dr. Kirk. Dr. Kirk was a man of extreme caution as to his reports, and a great deal of the value of the present intelligence depended on the degree of weight which attached to Dr. Kirk's reports. He was a man who had a great fear of imposition, and had never been other than most careful with respect to the intelligence he transmitted.

lad never been other than most careful with respect to the intelligence he transmitted.

DR. KIRK'S LETTER.

ZANZIBAR, April 7, 1872.

I have the honor to report that the steamship Abydos, consigned to the house of Rivett, Gibson & Co., arrived here on the 17th ult., being fifteen days from Suez, and having passed without touching at Aden. The Abydos brings the English members of the Livingstone Search Expedition, namely:—Lieutenant L. Dawson, R. N.; Lieutenant Henn, R. N., and Mr. W. C. Livingstone. The Rev. Charles New, of the Methodist Aission, at Mondeas, whose recent successful ascent of one of the East African snow mountains and whose long residence of nine years as a missionary in East Africa have familiarized him with the language and customs of the coast, being at Zanzibar and about to revisit Europe, most generously consented to after his plans and join Lueutenant Dawson's expedition, to which, as interpreter, he will be especially useful. Mr. New, during his stay in Africa, has shown a general aptitude for observations and a facility in dealing with natives that promises to be invaluable, none of the other members having personal experience in Africa or being acquainted with any Eastern language. Thus organized, and now joined by the six Nassick boys who were sent from Bombay by the Church Missionary Society, the expedition is engaged in getting together goods and in purchasing donkeys, and at the end of the rainy season will be ready to start for the interior. On the 1st of April the expedition were presented to His Highness Sayyid Burghash at a private durbar. His Highness seemed most pleased with the letter of introduction furnished to Lieutenant Dawson's partical forced to Mombas and bring down some of the people who before accompanied him in the interior, and on whom he can depend, and offers his assistance in any other way that may be thought useful.

Thave, &c., JOHN KIRK.

THE SULTAN OF ZANZIBAR'S LETTER.

THE SULTAN OF ZANZIBAR'S LETTER. Burghash bin Said, Sultan of Zanzibar:-

Burghash bin Said, Suitan of Zanzibar:—

To Sir Henry Rawlinson, K. C. B., President of the Royal Geographical Society, London:—
In the name of the most mercifal God, to our esteemed friend, Sir Henry Rawlinson. May the Almighty preserve him in heaith and happiness? Your friend is quite well, and the object of our leter is to inform you that at the nuspicious moment of our safe return from performing the pligrimage to the holy cities of Mecca and Medina my friend the Consui called on me and presented to me Lieutenant Dawson and his companions, and at the same time he delivered to me the letter from Her Majesty's Secretary of State for Foreign Affairs, the Earl Granville, and also the gift presented by the Royal Geographical Society, through the President; and it has pleased me much to do that which is considered advisable, and that I am enabled to aid the people of Eng'and in their search for my friend Dr. Livingstone, of whom we have no reliable information, and I play God that certain information regarding him may soon be received, and I will give my said to those gentlemen whom you have sent in attaining their object. And the Consul baying requested him may soon be received, and I will give my aidto those gentlemen whom you have sent in attaining their object. And the Consul having requested
me to grant the use of one of my steamers to the
above gentlemen to convey them to Monibassa to
procure men to accompany their expedition, I have
done so, and, please God, I will continue to render,
assistance to those whom you have sent in their
endeavors to explore the mysterious regions of the
unknown country, because their object is praiseworthy, and will tend to increase our knowledge of
what the Almighty has created in those our countries. From your iriend,
BURGHASH BIN SAID BIN SULTAN.
Dated at Zanzibar, the 5th day of the month of
Sair, in the year 1289 of the Hegira, corresponding
to the 14th of April, 1872.

ANOTHER LETTER FROM DR. KIRK.

ANOTHER LETTER FROM DR. KIRK. The President read portions of a letter from Dr. Kirk to Earl Granville, in which he says:-

Kirk to Earl Granville, in which he says:—

The situation of the Arabs, according to all written accounts, is one of considerable danger, and the alvantage for the present seems to rest with the Unyamwezi, who hold the Arabs, as it were blockaded, unable to trade and short of provisions. The Sultan thinks these statements made to induce him to send stores and troops, and this view is supported by the fact that the Zanzibar correspondents of two of the Arab chiefs have since the receipt of the letters engaged porters, and prepared caravans for Unyanyembe, with very valuable consignments of goods. Two of the nen who came down with the letters state that the Unyamwezi people have been driven off, and only Mirambo, with whom the original quarrel occurred, left with sufficient power to offer resistance. As these came safely out of Unyanyembe, and have started with letters on their return, the danger would seem to be exaggerated.

Dr. Kirk thus continues:—

Dr. Kirk thus continues:-

In no letter to which I have had access is mention made either of Dr. Livingstone or Mr. Stanley, nor so far as I have been able to learn have any letters been received on transit for New York from the latter. I have myself closely examined the slaves from Unyanyembe as to Mr. Stanley's movements, and learn that, having fallen back with the Arabs on the station on the day of the defeat by Mirambo, Mr. Stanley shortly atter set off in company with a party proceeding to Uhij, by a roundabout way, skirling the disturbed districts. His second white man (mate of an American ship, the Nevada, who joined him here) was sent back to Unyanyembe, where he died. So far the native accounts of what fell under their own observation may be relied on, but great doubt attaches to the further hearsay statements that I now relate. These slaves, examined separately, state that before leaving Unyanyembe Saced bin Majid, an Arab of Ujij, whose name I have before mentioned, fought his way past Mirambo and entered the settlement, having lost five of his men in an encounter. He brought with him neither lvory nor goods, and left all but his fighting men at Ujij. He is said to have reported that before he left Dr. Livingstone had returned to Ujij and been joined by Mr. Stanley. Ht a iso said that Mohammed bin Gharib had returned, and three others who had gone on the Manyema route. I unwillingly mention such reports, being at the same time wholly unable to vouch for their veracity, Mr. New, myself, and some Arab chiefs have tried our best to sife them, but without success; they may be pure inventions, or prove true statements; the Arabs seem inclined to credit them, while white men on the whole doubt their accuracy, of enething I am, however, convinced; that the suspicion entertained at home of hews having been in possession of the Arabs of some misfortone having befallen Dr. Livingstone, which they concealed in order to profile by goods sent to his relief, is wholly groundless and false. I have addressed the chief men of Unyanyembe by the

PRIVATE LETTERS had also been received from Zanzibar, conveying similar intelligence to that officially forwarded by Dr. Kirk. On Friday night a telegram had reached him (the President) which was authenticated in a curious manner. Lieutenant Dawson wrote a very peculiar band, and his writing of Zanzibar would be read by ninety-nine persons out of one hundred as Lousitar. It had been in fact so read by many persons at the anniversary meeting Now, in this telegram from Bombay, Lieu tenant Dawson was made to date from Lousitar, showing that what the telegraph clerk had

CONTINUED ON NINTH PAGE.